

**FAC No. SU-[text deleted]**

MIC & Associates  
c/o Stefan Minovici  
45 Broadway  
New York, N.Y. 10006

**PENALTY NOTICE**

Dear Mr. Minovici:

A Prepenalty Notice ("Notice") dated March 14, 2007, copy enclosed, was issued by the Office of Foreign Assets Control ("OFAC") to MIC & Associates ("Company") for prohibited transactions relating to Sudan, involving Company's attempt to facilitate the exportation of urea fertilizer from the Ukraine to Sudan on or about December 19, 2005 in violation of §§ 538.206 and 538.210 of the Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (the "Regulations"). Inasmuch as no license or authorization was issued by OFAC prior to the transactions, they violated the prohibitions set forth in Executive Order 13067 of November 3, 1997 (62 FR 59989, November 5, 1997 -"Executive Order"), promulgated pursuant to the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq.* ("IEEPA"). See, §§ 538.206 and 538.210 of the Regulations.

The Notice proposed a penalty in the amount of \$11,000 and advised Company of the right to make a written presentation to OFAC setting forth reasons why a penalty should not be imposed, or if imposed, why it should be less than that proposed. Such written response was required to be made within thirty (30) days of the mailing of the Notice.

After a careful review of the entire file, it is determined that Company did violate the Executive Order and IEEPA. However, OFAC notes the presence of the following five factors: 1) that Company had no other violations on file with OFAC, 2) provided written responses to OFAC inquiries, 3) assisted OFAC in its investigation, 4) received mistaken information from HSBC Bank prior to the opening of the Letter of Credit, and 5) had a compliance awareness at the time of violation. Accordingly, a civil penalty in the amount of \$2,750 is hereby imposed upon Company pursuant to the Regulations.

A check payable to the "**U.S. Treasury**" in the amount of \$2,750 should be sent within 30 days of the mailing of this Penalty Notice to U.S. Treasury Department, Financial Management Division, 1500 Pennsylvania Avenue, N.W., (Attn: 1310 G Street, Suite 200E), Washington, D.C. 20220. In the alternative, an electronic funds transfer to the Department can be arranged with OFAC Civil Penalties. Please note that interest, administrative charges and late fees will begin to accrue after 30 days of the mailing of the Penalty Notice. Under Public Law 97-365, 31 U.S.C. § 3717, interest at an annual rate inter of 5% and an administrative charge of \$12.00 will be added monthly if the amount is not paid by the due date. Should the amount not be paid within ninety (90) days, an additional late charge of 6% will be added.

Please note that the Regulations provide that this matter shall be referred for administrative collection measures or to the United States Department of Justice for collection if the penalty is not paid within 30 days of the mailing of the Penalty Notice.

**Please further note that 31 U.S.C. § 7701 requires that a person assessed a penalty by a Federal agency furnish a taxpayer identification number/Social Security Number and also requires the agency to disclose that the agency intends to use such number for the purposes of collecting and reporting on any delinquent penalty amount in the event of a failure to pay the penalty imposed.**

Sincerely,

[signature]

Adam Szubin  
Director  
Office of Foreign Assets Control